



Serving the Valley for a Better Life

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Vice President, Industrial Marketing & Services

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Welcome to Nashville!

- Nashville is home to the County Music Hall of Fame and is the “Songwriting Capital of the World”
- One of the best places to travel in 2018 - *Travel Velocity*
- No. 4 Metro - *American Business Journal* 2017
- No. 7 Fastest-Growing American City - *Forbes*, January 2018
- No. 1 Minor League Baseball City
- No. 8 City for Tech Jobs - *Time*, *Money Magazine*
- One of 33 trips everyone should take in the U.S, in 2018 - *Business Insider*
- Health-care capital of the U. S.





What is TVA?

A power company and so much more...



TVA Mission to Serve

Energy



Provide affordable power throughout the Valley region

Environment



Act as a steward of the Valley's natural resources

Economic Development



Serve as a catalyst for sustainable economic development

What We Are

- Provider of affordable, reliable power
- Steward of the Valley's natural resources
- Partner for economic growth

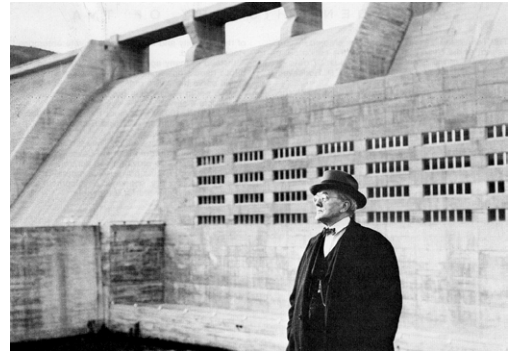


"Power is really a secondary matter.... TVA is primarily intended to change and to improve the standards of living of the people of that valley. Power is, as I said, a secondary consideration. Of course, it is an important one because, if you can get cheap power to those people, you hasten the process of raising the standard of living."

President Franklin D. Roosevelt

What We Do

- Serve 7 states, 56 directly served customers, 154 local power companies and 80,000 square miles
- Federal customers include 6 large directly served facilities and numerous local power company served facilities
- Manage the Valley's river systems and environmental resources

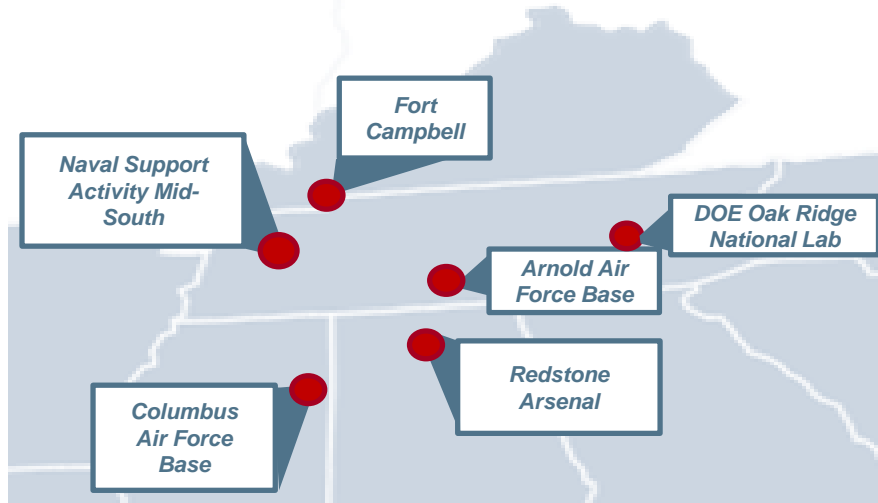


“Father of TVA,” Senator George Norris

Why We're Unique

Owned by the People	No stockholders
Presidentially appointed Board of Directors	Provides service & generates value for stakeholders
Directly served Federal & Industrial customers	No taxpayer dollars
Local Power Company partnerships	Partner for economic growth

Our Federal Customers Are Important To Us



These six federal customers deliver a combined \$25.5 Billion economic impact and 202,462 jobs

TVA UESC Projects

- Offering UESCs since 1999, over 30 projects
- Cumulative cost savings to DOD over \$97 million
- Past projects: Redstone Arsenal, Ft. Campbell, NSA Mid-south, IRS, NAS Meridian
- Current projects (development and implementation)
 - Redstone Arsenal
 - Ft. Campbell
 - Naval Support Activity Mid-south
 - Abernethy Federal Building - Courthouse, Aberdeen, MS
 - DOE Paducah Site
 - NASA Marshall Space Flight Center

Energy



Keeping Rates Low

Industrial rates: **top quartile**

Residential rates: **top quartile**

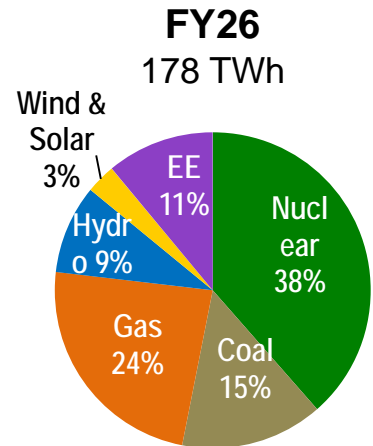
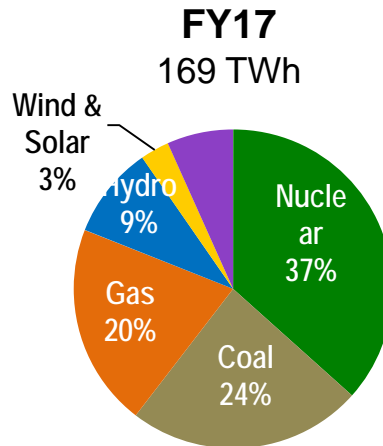
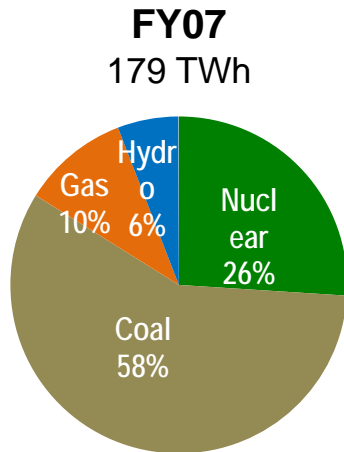
Reduced operating expense by **\$800 million**

Reduced fuel costs by **\$1.0 billion**

Completed large capital projects with **no increase in debt**

A Diverse Power Supply

Energy from non-emitting resources increases from 32% in FY07 to 61% by FY26



Transmission Asset Investments

- Reliability remains a top priority
- FY13-FY21 \$3 billion investment



Financial Performance

Long-Term Plan

ON TRACK

Improve Operational Performance

Diversify Our Energy Mix

Improve TVA's Financial Health

Reduce Debt

Lower Power Rates

Reduced Operating Expenses by

\$800 Million

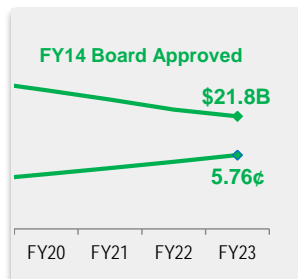
\$3Billion in Capital Investments

ON TRACK TO

REDUCE DEBT **\$22 BILLION**
BY 2023

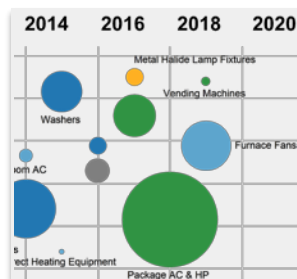
A Good Plan, Working

Plan



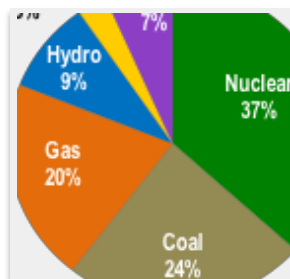
- Balance rate & debt
- Competitive rates
- Improved balance sheet

Challenges



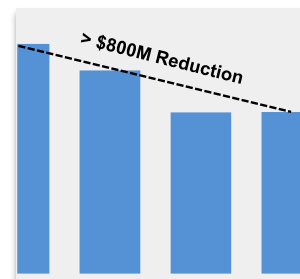
- Declining loads
- Distributed energy
- Current pricing does not reflect true value

Value



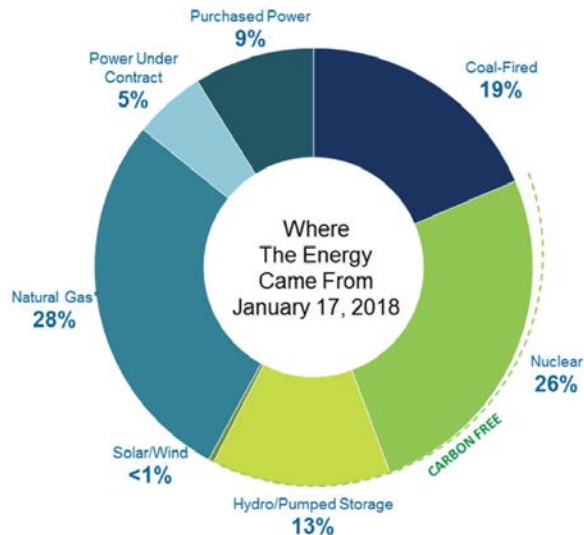
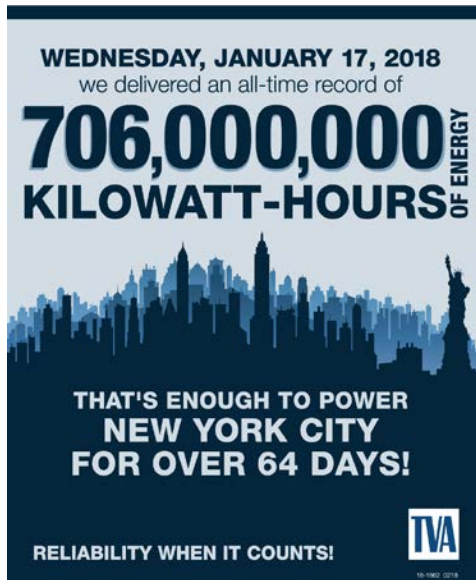
- Rationalize & diversify the fleet
- Low environmental risk

Track Record

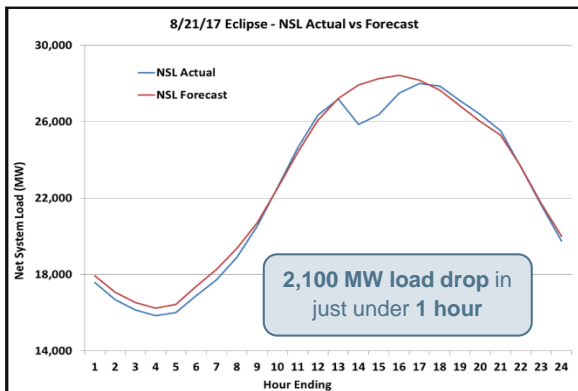


- Reducing costs
- Top quartile by 2019 except 1 function
- \$19B invested while holding debt flat

All-time Record Energy Delivered

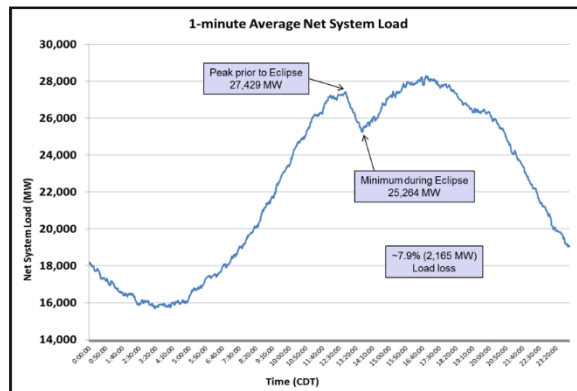


Solar Eclipse Summary



Preparations

- Requested hydro flexibility (~150 MW)
- All 4 RMP generators and CC plants were in service for maximum flexibility
- 1,000 MWs of regulation



Response

- Removed 2 RMP generators (750 MW)
- Requested a decrease in hydro generation (165 MW)
- Removed CC duct burners at 3 plants and placed the units into AGC control to regulate down
- As load recovered, put RMP and duct burners back in service and requested HDCC to increase generation

Environment

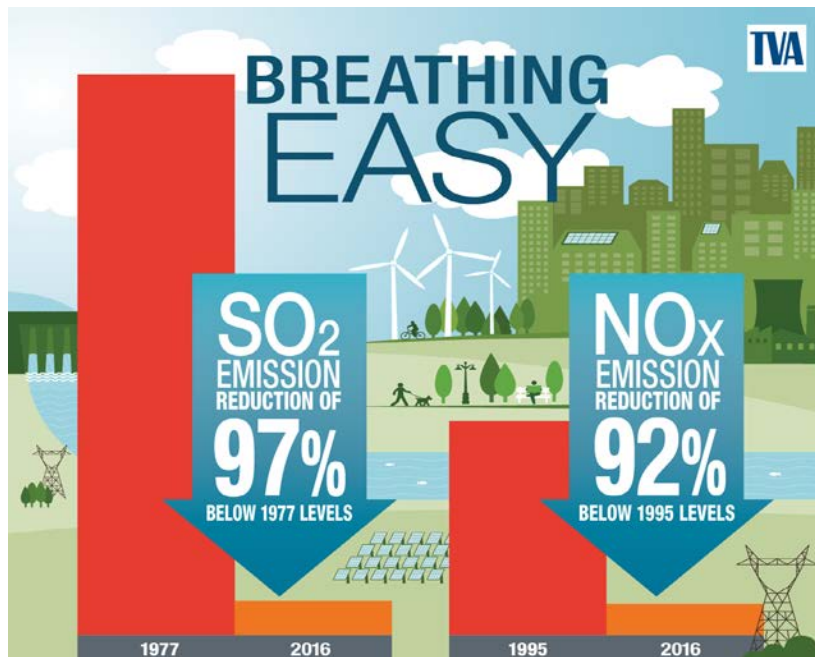


Energy

Environment

Economic
Development
t

Air Quality Management



Coal Assets – Decommissioning



Widows Creek
2017



Johnsonville
2018



Colbert
2019



Allen
2020

Watts Bar Unit 2



Achieved Commercial Operations Oct. 19, 2016

Gas Asset - Allen Combined Cycle



Project ~95% complete – Commercial Operations in 2018



Recreation

Recreation on TVA lakes is worth about
\$12 billion in business
each year, and it **generates**
130,000 jobs a year

- Processed over 400 requests for permits for shoreline construction
- Reviewed > 6,000 acres of public land to improve our properties
- Environmental education programs for >3,600 children
- Partnered with communities on >200 events and volunteer activities

Economic Development



Economic Development Accomplishments

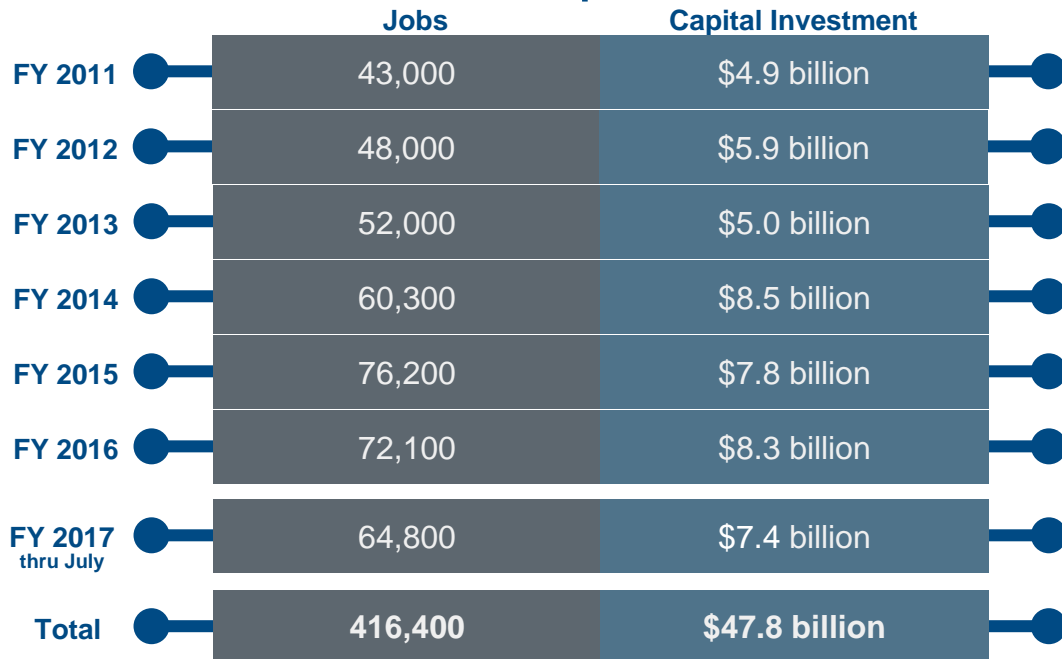
2017

218 companies recruited
\$8.3 billion invested
70,000 jobs
12th year as Top 10 utility

Since 2011,
400,000 jobs
\$48 billion invested



TVA Economic Development Performance





Nine

Decades of Service

Still a Shining Light



energy . environment . economic development